

Title 30-A: MUNICIPALITIES AND COUNTIES

HEADING: PL 1987, c. 737, Pt. A, §2 (new)

Chapter 223: MUNICIPAL FINANCES

HEADING: PL 1987, c. 737, Pt. A, §2 (new)

Table of Contents

Part 2. MUNICIPALITIES	
Subpart 9. FISCAL MATTERS	
Subchapter 1. GENERAL PROVISIONS	3
Section 5651. DETERMINATION OF MUNICIPAL YEAR; CHANGE.....	3
Section 5652. DONATION OF MONEY.....	3
Section 5653. GIFTS OF MONEY OR PROPERTY IN TRUST.....	4
Section 5654. CONDITIONAL GIFTS.....	5
Section 5655. UNCONDITIONAL GIFTS.....	5
Section 5656. PROCUREMENT OF RECYCLED GOODS.....	5
Subchapter 2. STATE FUNDS	6
Section 5681. STATE-MUNICIPAL REVENUE SHARING.....	6
Section 5682. STATE FUNDS (REPEALED).....	9
Section 5683. PROPERTY TAX RELIEF.....	9
Section 5684. FUNDING FOR MANDATED PROGRAMS (REPEALED).....	11
Section 5685. FUNDING FOR REQUIRED ACTIVITIES.....	11
Subchapter 3. MUNICIPAL DEBT	13
Section 5701. DEBT LIABILITY.....	13
Section 5702. LIMITATION.....	14
Section 5703. EXCLUSION.....	14
Section 5704. REPORTING BY SPECIAL DISTRICTS.....	15
Section 5705. REFINANCING OF THE UNITED STATES FARMERS HOME ADMINISTRATION LOANS.....	16
Subchapter 3-A. MUNICIPAL INVESTMENTS	16
Article 1. GENERAL INVESTMENTS	16
Section 5706. DEPOSIT OR INVESTMENT OF FUNDS.....	17
Article 2. INVESTMENTS IN SECURITIES	18
Section 5711. INVESTMENTS IN GENERAL.....	18
Section 5712. GOVERNMENT UNIT BONDS.....	19
Section 5713. CORPORATE SECURITIES.....	19
Section 5714. FINANCIAL INSTITUTION STOCK AND OTHER OBLIGATIONS.....	20
Section 5715. OTHER STOCK INVESTMENTS.....	21
Section 5716. OTHER PRUDENT SECURITIES.....	22
Section 5717. RETENTION OF UNAUTHORIZED SECURITIES.....	23
Section 5718. STANDARD OF PRUDENCE.....	23
Section 5719. LIMITATIONS ON INVESTMENTS.....	23
Subchapter 4. EXPENDITURES	24
Section 5721. GENERAL AUTHORITY.....	24

Section 5721-A. LIMITATION ON MUNICIPAL PROPERTY TAX LEVY.....	24
Section 5722. OPERATING EXPENSES.....	27
Section 5723. PUBLIC WORKS.....	29
Section 5724. SCHOOLS AND LIBRARIES.....	30
Section 5725. HEALTH AND WELFARE.....	32
Section 5726. DEVELOPMENT.....	34
Section 5727. CELEBRATIONS AND COMMEMORATIONS.....	36
Section 5728. GENERAL DUTIES AND OPERATIONS.....	37
Section 5729. FEDERAL AND STATE GRANTS.....	37
Section 5730. HISTORIC AND SCENIC PRESERVATION.....	38
Subchapter 5. TAX BASE SHARING	38
Section 5751. PURPOSE.....	38
Section 5752. TAX BASE SHARING AGREEMENT.....	38
Section 5753. FILING OF AGREEMENT.....	39
Subchapter 6. BORROWING	39
Section 5771. REVENUE ANTICIPATION NOTES; FISCAL YEAR.....	39
Section 5772. GENERAL OBLIGATION SECURITIES.....	40
Section 5773. BORROWING IN ANTICIPATION OF FEDERAL OR STATE AID.....	42
Subchapter 7. RESERVE FUND	43
Section 5801. ESTABLISHMENT.....	43
Section 5802. TRUSTEES.....	44
Subchapter 8. ACCOUNTS AND AUDITS	45
Section 5821. UNIFORM ACCOUNTING SYSTEM.....	45
Section 5822. INVESTIGATION OF ACCOUNTING AND AUDITING SYSTEM.....	45
Section 5823. ANNUAL POSTAUDIT.....	46
Section 5824. WITNESSES AND RECORDS.....	47
Section 5825. STATE AUDITOR'S REPORT ON FINANCIAL MATTERS.....	48
Section 5826. PENALTIES.....	48

Maine Revised Statutes

Title 30-A: MUNICIPALITIES AND COUNTIES
HEADING: PL 1987, c. 737, Pt. A, §2 (new)

Chapter 223: MUNICIPAL FINANCES
HEADING: PL 1987, c. 737, Pt. A, §2 (new)

Subchapter 1: GENERAL PROVISIONS
HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

§5651. DETERMINATION OF MUNICIPAL YEAR; CHANGE

The municipal officers shall determine the municipal fiscal year. [1987, c. 737, Pt. C, §2 and Pt (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §8, 10 (AMD).]

A municipality or plantation may raise one or 2 taxes during a single valuation if the taxes raised are based on appropriations made for a municipal fiscal year that does not exceed 18 months. A municipal or plantation fiscal year may extend beyond the end of the current tax year and the municipal officers or assessors of a plantation, when changing the municipality's or plantation's fiscal year, may, for transition purposes, adopt one or more fiscal years not longer than 18 months each. [1987, c. 737, Pt. C, §2 and Pt (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §8, 10 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5652. DONATION OF MONEY

The municipal officers may accept a donation of money to the municipality to supplement a specific appropriation already made, to reduce the tax assessment, to endow a municipal education foundation pursuant to section 5724, subsection 10 or to reduce the permanent debt. [2007, c. 405, §1 (AMD) .]

1. Reducing the tax assessment. If the assessors receive written notice from the municipal officers that a sum has been paid to the municipality for the purpose of reducing the tax assessment, they shall reduce it in that amount before establishing the tax rate. If the tax rate has already been established, the treasurer shall deposit the money in a bank, trust company or national bank in the State, and withdraw it at the proper time to reduce the tax assessment for the following taxable year.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Funding municipal education foundations. A municipality may accept endowment funds from citizens, estates, municipal contributions and bond money to fund a municipal education foundation to support local education pursuant to section 5724, subsection 10. The foundation may not spend the funds until it meets certain growth standards recommended by the Department of Administrative and Financial Services.

[2011, c. 655, Pt. DD, §11 (AMD); 2011, c. 655, Pt. DD, §24 (AFF) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 2007, c. 405, §§1, 2 (AMD). 2011, c. 655, Pt. DD, §11 (AMD). 2011, c. 655, Pt. DD, §24 (AFF).

§5653. GIFTS OF MONEY OR PROPERTY IN TRUST

This section governs a municipality's receipt of money or other property in trust for any specified public purpose. The municipal officers shall serve as trustees unless otherwise specified in the trust instrument.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Acceptance or rejection. When the municipal officers receive written notice from a prospective donor or a representative of a proposed trust, they shall submit the matter at the next meeting of the municipal legislative body. Within 10 days after the meeting, the municipal officers shall send written notice of its acceptance or rejection to the donor or the donor's representative.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Deposited or invested. Unless otherwise specified by the terms of the trust, the municipal officers shall either deposit or invest trust funds according to subchapter III-A.

A. Unless the instrument or order creating the trust prohibits, the municipal officers may treat any 2 or more trust funds as a single fund solely for the purpose of investment. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. After deducting management expenses, the municipal officers shall prorate any interest earned or capital gains realized among the various trust funds. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

C. The municipal officers shall retain any property or securities included in the corpus of a trust fund where the trust instrument so provides. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

D. Unless otherwise specified in the trust instrument, the municipal officers may spend only the annual income from the trust fund. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

3. Reversion to donor. If the municipality fails to comply with the terms of the trust instrument, the trust fund reverts to the donor or the donor's heirs.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5654. CONDITIONAL GIFTS

This section governs a municipality's receipt of a conditional gift for any specified public purpose. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Acceptance or rejection. When the municipal officers receive written notice from a prospective donor or a representative of the proposed gift, they shall submit the matter at the next meeting of the municipal legislative body. Within 10 days after the meeting, the municipal officers shall send written notice of their acceptance or rejection to the donor or the donor's representative.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Perpetually comply with conditions. When the donor or the donor's representative has completed the donor's part of the agreement concerning the execution of a conditional gift, the municipality shall perpetually comply with, and may raise money to carry into effect, the conditions upon which the agreement was made.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

3. Deposited or invested. Unless otherwise specified by its terms, a conditional gift of money may be deposited or invested according to subchapter III-A.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5655. UNCONDITIONAL GIFTS

A gift without conditions, of any type of property, offered to a municipality may be accepted or rejected by its legislative body, except for forfeited assets conveyed to the municipality pursuant to Title 15, chapter 517, which may be accepted or rejected by the municipal officers. [1999, c. 408, §5 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 1999, c. 408, §5 (AMD).

§5656. PROCUREMENT OF RECYCLED GOODS

1. Review of standards. Each municipality shall review its procurement procedures and specifications to identify procedures and specifications that explicitly discriminate against goods, supplies, equipment, materials and printing with recycled content. Each municipality may revise its procedures and specifications to:

A. Encourage the use of goods, supplies, equipment, materials and printing with recycled content; and [1989, c. 585, Pt. C, §15 (NEW).]

B. Ensure, to the maximum extent economically feasible, that it purchases goods, supplies, equipment, materials and printing that may be recycled or reused when such goods, supplies, equipment, materials and printing are discarded. [1989, c. 585, Pt. C, §15 (NEW).]

[1989, c. 585, Pt. C, §15 (NEW) .]

2. Preferences for recycled goods. In revising its procurement procedures and specifications under subsection 1, each municipality may:

A. Establish a preference for paper with recycled content consistent with the standards established for state agencies under Title 5, section 1812-B; and [1989, c. 585, Pt. C, §15 (NEW).]

B. Establish specifications for bids for public contracts that require all bidders to propose that a stated minimum percentage of goods, supplies, equipment or materials to be used for the contract be made from recycled material. [1989, c. 585, Pt. C, §15 (NEW).]

[1989, c. 585, Pt. C, §15 (NEW) .]

3. Other laws. The options set forth in this section may be exercised, notwithstanding any other provision of law to the contrary.

[1989, c. 585, Pt. C, §15 (NEW) .]

4. Interlocal cooperation. The provisions of this section shall apply to agreements of interlocal cooperation established pursuant to chapter 115 and to cooperative purchasing programs administered by regional councils established pursuant to chapter 119.

[1989, c. 585, Pt. C, §15 (NEW) .]

SECTION HISTORY

1989, c. 585, §C15 (NEW).

Subchapter 2: STATE FUNDS HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

§5681. STATE-MUNICIPAL REVENUE SHARING

1. Findings and purpose. The Legislature finds that:

A. The principal problem of financing municipal services is the burden on the property tax; and [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. To stabilize the municipal property tax burden and to aid in financing all municipal services, it is necessary to provide funds from the broad-based taxes of State Government. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Population" means the population as determined by the latest Federal Decennial Census or the population as determined and certified by the Department of Health and Human Services, whichever is later. For the purposes of this section, the Department of Health and Human Services shall determine the

population of each municipality at least once every 2 years. For the purposes of the distributions required by this section, beginning July 1, 2009, "population" means the most current population data available as of the January 1st prior to the fiscal year of distribution. [2007, c. 662, §1 (AMD).]

B. "Property tax burden" means the total real and personal property taxes assessed in the municipal fiscal year pertaining to the latest state valuation, except the taxes assessed on captured value within a tax increment financing district, divided by the latest state valuation certified to the Secretary of State. [2007, c. 662, §1 (AMD).]

C. [2009, c. 213, Pt. S, §16 (AFF); 2009, c. 213, Pt. S, §1 (RP).]

D. [2009, c. 213, Pt. S, §16 (AFF); 2009, c. 213, Pt. S, §2 (RP).]

E. "Disproportionate tax burden" means the total real and personal property taxes assessed in the municipal fiscal year pertaining to the latest state valuation, except the taxes assessed on captured value within a tax increment financing district, divided by the latest state valuation certified to the Secretary of State and reduced by .01. Beginning on July 1, 2013 and each July 1st thereafter, if the total revenue-sharing distribution as calculated by subsection 5 is distributed to the municipalities without transfer or reduction, the reduction factor must be increased by either .0005 or the percentage increase necessary to equal the statewide average property tax rate, whichever increase is smaller, until the fiscal year when the percentage reduction factor reaches the statewide average property tax rate. [2011, c. 656, §1 (AMD).]

F. "Statewide average property tax rate" means the total real and personal property taxes assessed in all municipalities in the municipal fiscal year pertaining to the latest state valuation, except the taxes assessed on captured value within a tax increment financing district, divided by the total latest state valuation certified to the Secretary of State. [2011, c. 656, §2 (NEW).]

[2011, c. 656, §§1, 2 (AMD) .]

3. Revenue-sharing funds. To strengthen the state-municipal fiscal relationship pursuant to the findings and objectives of subsection 1, there is established the Local Government Fund. To provide additional support for municipalities experiencing a higher-than-average property tax burden, there is established the Disproportionate Tax Burden Fund.

[2009, c. 213, Pt. S, §3 (AMD); 2009, c. 213, Pt. S, §16 (AFF) .]

4. Sharing the Local Government Fund.

[1999, c. 731, Pt. U, §3 (RP) .]

4-A. Distribution of Local Government Fund. The Treasurer of State shall transfer the balance in the Local Government Fund on the 20th day of each month. Money in the Local Government Fund must be distributed to each municipality in proportion to the product of the population of the municipality multiplied by the property tax burden of the municipality.

[1999, c. 731, Pt. U, §4 (NEW) .]

4-B. Distribution of Disproportionate Tax Burden Fund. The Treasurer of State shall transfer the balance in the Disproportionate Tax Burden Fund on the 20th day of each month. Money in the Disproportionate Tax Burden Fund must be distributed to each municipality in proportion to the product of the population of the municipality multiplied by the disproportionate tax burden of the municipality.

[1999, c. 731, Pt. U, §4 (NEW) .]

5. Transfers to funds. No later than the 10th day of each month, the State Controller shall transfer to the Local Government Fund 5% of the receipts during the previous month from the taxes imposed under Title 36, Parts 3 and 8, and Title 36, section 2552, subsection 1, paragraphs A to F and L, and credited to the General Fund without any reduction, except that the postage, state cost allocation program and programming costs of administering state-municipal revenue sharing may be paid by the Local Government Fund. A percentage share of the amounts transferred to the Local Government Fund each month must be transferred to the Disproportionate Tax Burden Fund and distributed pursuant to subsection 4-B as follows:

A. [2009, c. 213, Pt. S, §16 (AFF); 2009, c. 213, Pt. S, §4 (RP).]

B. [2009, c. 213, Pt. S, §16 (AFF); 2009, c. 213, Pt. S, §4 (RP).]

C. For months beginning on or after July 1, 2009 but before July 1, 2010, 15%; [2009, c. 213, Pt. S, §4 (NEW); 2009, c. 213, Pt. S, §16 (AFF).]

D. For months beginning on or after July 1, 2010 but before July 1, 2011, 16%; [2009, c. 213, Pt. S, §4 (NEW); 2009, c. 213, Pt. S, §16 (AFF).]

E. For months beginning on or after July 1, 2011 but before July 1, 2012, 17%; [2009, c. 213, Pt. S, §4 (NEW); 2009, c. 213, Pt. S, §16 (AFF).]

F. For months beginning on or after July 1, 2012 but before July 1, 2013, 18%; [2009, c. 213, Pt. S, §4 (NEW); 2009, c. 213, Pt. S, §16 (AFF).]

G. For months beginning on or after July 1, 2013 but before July 1, 2014, 19%; and [2009, c. 213, Pt. S, §4 (NEW); 2009, c. 213, Pt. S, §16 (AFF).]

H. For months beginning on or after July 1, 2014, 20%. [2009, c. 213, Pt. S, §4 (NEW); 2009, c. 213, Pt. S, §16 (AFF).]

[2009, c. 213, Pt. S, §4 (AMD); 2009, c. 213, Pt. S, §16 (AFF) .]

5-A. Temporary exception.

[1995, c. 665, Pt. E, §1 (NEW); T. 30-A, §5681, sub-§5-A (RP) .]

5-B. Fund for the Efficient Delivery of Local and Regional Services.

[2009, c. 213, Pt. S, §16 (AFF); 2009, c. 213, Pt. S, §5 (RP) .]

5-C. Transfers to General Fund. For the months beginning on or after July 1, 2009, \$25,383,491 in fiscal year 2009-10, \$38,145,323 in fiscal year 2010-11, \$40,350,638 in fiscal year 2011-12, \$44,267,343 in fiscal year 2012-13, \$73,306,246 in fiscal year 2013-14 and \$85,949,391 in fiscal year 2014-15 from the total transfers pursuant to subsection 5 must be transferred to General Fund undedicated revenue. The amounts transferred to General Fund undedicated revenue each fiscal year pursuant to this subsection must be deducted from the distributions required by subsections 4-A and 4-B based on the percentage share of the transfers to the Local Government Fund pursuant to subsection 5. The reductions in this subsection must be allocated to each month proportionately based on the budgeted monthly transfers to the Local Government Fund as determined at the beginning of the fiscal year.

[2013, c. 368, Pt. J, §1 (AMD) .]

6. Plantations and unorganized territory. For purposes of state-municipal revenue sharing, plantations and the unorganized territory shall be treated as if they were municipalities.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

7. Indian territory. For purposes of state-municipal revenue sharing, the Passamaquoddy Tribe and the Penobscot Nation Indian Territories shall be treated as if they were municipalities. In the absence of a levy of real and personal property taxes in either or both Indian territories, the property tax assessment is computed by multiplying the state valuation for the Indian territory for the period for which revenue sharing is being determined by the most current average equalized property tax rate of all municipalities in the State at that time as determined by the State Tax Assessor.

[1989, c. 871, §1 (NEW); 1989, c. 871, §22 (AFF) .]

8. Posting of revenue sharing projections. For the purpose of assisting municipalities in a timely manner in their budget development process and in the determination of their property tax levy limits as required by section 5721-A, the Treasurer of State shall post no later than April 15th of each year on the Treasurer of State's website the projected revenue sharing distributions as required by this section according to the most recently issued state revenue forecasts issued by the Revenue Forecasting Committee pursuant to Title 5, chapter 151-B for the subsequent fiscal year beginning on July 1st.

[2007, c. 662, §2 (NEW) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 1989, c. 871, §§1,22 (AMD). 1991, c. 780, §Q1 (AMD). 1995, c. 665, §E1 (AMD). 1995, c. 665, §E4 (AFF). 1999, c. 528, §1 (AMD). 1999, c. 731, §§U1-5 (AMD). 2001, c. 439, §O01 (AMD). 2001, c. 559, §G1 (AMD). 2001, c. 714, §Y1 (AMD). IB 2003, c. 2, §§2,3 (AMD). 2003, c. 20, §W1 (AMD). 2003, c. 174, §1 (AMD). 2003, c. 673, §V5 (AMD). 2003, c. 673, §V29 (AFF). 2003, c. 689, §B6 (REV). 2005, c. 2, §§G1,H1 (AMD). 2005, c. 2, §G2 (AFF). 2005, c. 12, §E1 (AMD). 2005, c. 266, §1 (AMD). 2007, c. 240, Pt. NNN, §1 (AMD). 2007, c. 240, Pt. S, §§1, 2 (AMD). 2007, c. 437, §1 (AMD). 2007, c. 437, §22 (AFF). 2007, c. 662, §§1, 2 (AMD). 2009, c. 213, Pt. S, §§1-6 (AMD). 2009, c. 213, Pt. S, §16 (AFF). 2009, c. 462, Pt. E, §1 (AMD). 2009, c. 571, Pt. JJ, §1 (AMD). 2011, c. 1, Pt. N, §1 (AMD). 2011, c. 380, Pt. I, §1 (AMD). 2011, c. 656, §§1, 2 (AMD). 2013, c. 368, Pt. J, §1 (AMD).

§5682. STATE FUNDS

(REPEALED)

SECTION HISTORY

1989, c. 104, §§A49,C10 (NEW). 1989, c. 295, (AMD). 1995, c. 368, §E1 (RP).

§5683. PROPERTY TAX RELIEF

1. Scope. This section establishes a revenue-sharing program that distributes surplus funds from the General Fund during times of prosperity to municipalities experiencing an inordinate amount of growth. The revenue-sharing funds are specifically dedicated to assisting these municipalities in meeting the unusually high costs associated with the capital construction and infrastructure necessary to accommodate growth and development.

[1989, c. 534, Pt. F, (NEW) .]

2. Definitions. For the purposes of computing the revenue distributions from the Property Tax Relief Fund, the following terms have the following meanings.

A. "Population" means the population as determined by the latest federal decennial census or the population as determined and certified by the Department of Health and Human Services, whichever is more recent. For the purposes of this section, the department is authorized and required to determine the population of each municipality at least once every year. [1989, c. 534, Pt. F, (NEW); 2003, c. 689, Pt. B, §6 (REV).]

[1989, c. 534, Pt. F, (NEW); 2003, c. 689, Pt. B, §6 (REV) .]

3. Property Tax Relief Fund established. There is established the Property Tax Relief Fund for the purpose of distributing unanticipated surplus revenues accruing in the General Fund to municipalities experiencing high rates of population growth. The purpose of the fund is to assist municipalities in meeting their infrastructure needs.

After the close of each fiscal year, the Governor may request a General Fund appropriation to the Property Tax Relief Fund from the next session of the Legislature in an amount not to exceed 1/2 of the balance remaining after all other required transfers or appropriations from the excess of total General Fund revenues received over accepted estimates in that fiscal year and all required deductions of appropriations, financial commitments, designated funds, transfers from the unappropriated surplus of the General Fund or transfers from the available balance remaining in the General Fund have been made.

General Fund revenue estimates may be made once during the First Regular Session of the Legislature and adjustments to these accepted revenue estimates may be made once during the Second Regular Session of the Legislature without mandatory transfer of funds to the Property Tax Relief Fund. If adjustments are made to those initial estimates presented to each regular session of the Legislature, an amount not to exceed 1/2 of the excess of the estimated revenue over the amounts required by law to be set aside for other purposes must be appropriated to the Property Tax Relief Fund.

The appropriation may not exceed \$25,000,000 and may not lapse, but must remain a continuing carrying account to carry out the purpose of this section.

[1995, c. 464, §16 (AMD) .]

4. Distributions from Property Tax Relief Fund. Money credited to the Property Tax Relief Fund shall be distributed to each municipality in an amount equal to the ratio of the population in each municipality to the population in the State as a whole.

[1989, c. 534, Pt. F, (NEW) .]

5. Restrictions on use of funds. Funds distributed to municipalities pursuant to this section shall be expended only after the municipal legislative body has authorized the expenditure in the annual municipal budget. Funds shall be expended only for the following purposes:

A. For capital construction and improvements, land acquisitions, capital equipment acquisitions or other nonrecurring purposes; [1989, c. 534, Pt. F, (NEW).]

B. For purposes for which bonds have been previously authorized but not yet issued, in order to eliminate the need to incur the indebtedness; and [1989, c. 534, Pt. F, (NEW).]

C. For the local share of state, federal or privately financed capital construction and improvement projects. [1989, c. 534, Pt. F, (NEW).]

[1989, c. 534, Pt. F, (NEW) .]

6. Treasurer of State. The Treasurer of State shall distribute the appropriation balance in the Property Tax Relief Fund no later than 30 days after the legislation appropriating funds for this purpose has been enacted by the Legislature and signed into law by the Governor.

[1995, c. 464, §17 (AMD) .]

SECTION HISTORY

1989, c. 534, §F (NEW). 1993, c. 707, §N1 (AMD). 1995, c. 464, §§16,17 (AMD). 2003, c. 689, §B6 (REV).

§5684. FUNDING FOR MANDATED PROGRAMS

(REPEALED)

SECTION HISTORY

1989, c. 922, (NEW). 1991, c. 847, §4 (AMD). 1993, c. 28, §1 (RP).

§5685. FUNDING FOR REQUIRED ACTIVITIES

1. Definitions. As used in this section and in the Constitution of Maine, Article IX, Section 21, unless the context otherwise indicates, the following terms have the following meanings.

A. "Local revenues" means revenues generated by local units of government, including property taxes, other locally levied taxes and user fees and other revenues, such as excise taxes collected and retained by local units of government pursuant to statutory authority. [1993, c. 351, §1 (NEW).]

B. "Local unit of government" or "local unit" means a municipality, as defined in this Title; a plantation, as governed by chapter 301; a county; a school administrative unit, as defined in Title 20-A, section 1; or a governmental entity that is:

- (1) Created or authorized by special act of the Legislature or authorized to be created by a general purpose unit of government under a general act of the Legislature;
- (2) Established to provide public services;
- (3) Funded by local revenues;
- (4) Governed by a locally elected body or a body appointed by a municipality or county; and
- (5) Not an agency of State Government or other entity having statewide authority, jurisdiction or purpose. [1993, c. 351, §1 (NEW).]

C. "Mandate" means any law, rule or executive order of this State enacted, adopted or issued after November 23, 1992 that requires a local unit of government to expand or modify that unit's activity so as to necessitate additional expenditures from that unit's local revenues. "Mandate" includes laws, rules or executive orders that primarily affect the performance of a local unit's governmental activities. [1993, c. 351, §1 (NEW).]

D. "Mandate payment distribution schedule" means a schedule for distribution of state payments required by the Constitution of Maine, Article IX, Section 21, to be made to local units of government during the state fiscal year. [1993, c. 351, §1 (NEW).]

E. "Required state mandate funds" means those state funds required to be paid to local units of government under the Constitution of Maine, Article IX, Section 21. [1993, c. 351, §1 (NEW).]

[1993, c. 351, §1 (NEW) .]

2. Requirement for state funding. The State may not impose a mandate on a local unit of government unless the State provides annually at least 90% of the funding for those expenditures from state funds not previously appropriated, allocated or otherwise designated for payment to that local unit of government. The Legislature may impose a mandate on a local unit of government without providing 90% funding as an exception to the provisions of the Constitution of Maine, Article IX, Section 21 if enacted upon the votes of 2/3 of all members elected to the Senate and the House of Representatives.

[1993, c. 351, §1 (NEW) .]

3. Implementation. In implementing this section and the provisions of the Constitution of Maine, Article IX, Section 21, the following provisions apply.

A. The State may not meet its obligation to provide required state mandate funds by authorizing a local unit of government to levy fees or taxes not previously levied by that local unit of government. [1993, c. 351, §1 (NEW) .]

B. The State may not meet its obligation to provide required state mandate funds by requiring a local unit of government to spend funds previously appropriated to that local unit of government. [1993, c. 351, §1 (NEW) .]

C. Reduction of state funds that are the State's share of the cost of mandates that have been suspended or reduced does not preclude imposition of a new mandate if the required state mandate funds are provided for that new mandate. [1993, c. 351, §1 (NEW) .]

D. Required state mandate funds do not include the costs incurred by local units of government to comply with a federal law or regulation or to become eligible for the receipt of federal funds, except to the extent that the State imposes requirements or conditions that exceed the federal requirements. [1993, c. 351, §1 (NEW) .]

E. Required state mandate funds do not include for the costs to local units of government of implementing laws, rules, executive orders or judicial decisions or orders that are required to comply with the following provisions of the Constitution of Maine:

- (1) The reapportionment requirements of Article IV, Part First, Section 2 and Article IV, Part Second, Section 2;
- (2) The constitutional referenda provisions of Article X, Section 4;
- (3) The people's veto of legislation provisions of Article IV, Part Third, Section 17; and
- (4) The direct initiative of legislation provisions of Article IV, Part Third, Section 18. [1993, c. 351, §1 (NEW) .]

F. Legislation, even though enacted by a 2/3 vote of each House of the Legislature, may not be construed to override the funding requirements of the Constitution of Maine, Article IX, Section 21, unless the legislation contains specific language indicating that it is the intent of the Legislature to create an exception to the Constitution of Maine. [1993, c. 351, §1 (NEW) .]

[1993, c. 351, §1 (NEW) .]

4. Local units of government not bound. A local unit of government is not bound by any mandate unless funded or exempted from state funding in accordance with this section and the Constitution of Maine, Article IX, Section 21.

[1993, c. 351, §1 (NEW) .]

5. Appropriation and payment of state funds. The State must appropriate, allocate or otherwise designate for payment in each state fiscal year a sum sufficient to meet at least 90% of the cost of each mandate imposed on local units of government.

A. The state agency to which state funds are appropriated, allocated or otherwise designated for payment to fund a mandate, referred to in this subsection as the "agency," shall pay to each local unit of government in each state fiscal year the required state mandate funds. The agency need not pay to local units of government the entire amount at the beginning of each fiscal year. However, the agency must make payments to local units of government in accordance with the mandate payment distribution schedule. [1993, c. 351, §1 (NEW).]

B. A mandate payment distribution schedule describes the number of annual payments, the time of each payment and the amount of each payment to be made during the state fiscal year to ensure that the State pays local units of government the required state mandate funds prior to the local units of government having to make expenditures required by a mandate. [1993, c. 351, §1 (NEW).]

C. A mandate payment distribution schedule must be established for each mandate that requires state funding under this section. The agency shall establish a mandate payment distribution schedule for a mandate by consulting with the affected local unit or units of government or with a representative sample of affected local units of government. If necessary, different mandate payment distribution schedules may be established for a single mandate. [1993, c. 351, §1 (NEW).]

D. Following public hearing and in accordance with the Maine Administrative Procedure Act, the State Controller shall adopt rules necessary to implement this subsection. At a minimum, those rules must include a process for establishing mandate payment distribution schedules for distribution of payments under this subsection, including the provision of public notice and an opportunity for comment on the schedules by local units of government and other affected persons. [1993, c. 351, §1 (NEW).]

E. Following public hearing and in accordance with the Maine Administrative Procedure Act, the State Auditor shall adopt rules establishing a process for oversight of local unit of government compliance with mandates and use of state funds provided under this subsection. [1993, c. 351, §1 (NEW).]

F. In accordance with the Maine Administrative Procedure Act, a local unit of government may appeal the number, amount and timing of payments under this section to the agency making payments. Decisions on appeals from the number, amount and timing of payments awarded under the schedule constitute final agency action. [1993, c. 351, §1 (NEW).]

[1993, c. 351, §1 (NEW) .]

6. Collection of data; report. A state agency making payments to local units of government under this section shall submit a report to the Department of Administrative and Financial Services by September 1st each year. The report must identify specific mandates administered by the agency during the previous fiscal year, describe the payment schedule developed by the agency for each mandate and contain any other information requested by the department. The Department of Administrative and Financial Services shall compile that information and shall issue a report annually not later than January 15th to the Governor and the Legislature summarizing state agency activities under this section.

[1993, c. 351, §1 (NEW) .]

SECTION HISTORY

1993, c. 351, §1 (NEW).

Subchapter 3: MUNICIPAL DEBT HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

§5701. DEBT LIABILITY

The personal property of the residents and the real estate within the boundaries of a municipality, village corporation or other quasi-municipal corporation may be taken to pay any debt due from the body corporate. The owner of property taken under this section may recover from the municipality or quasi-municipal

corporation under Title 14, section 4953. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5702. LIMITATION

No municipality may incur debt which would cause its total debt outstanding at any time, exclusive of debt incurred for school purposes, for storm or sanitary sewer purposes, for energy facility purposes or for municipal airport purposes to exceed 7 1/2% of its last full state valuation, or any lower percentage or amount that a municipality may set. A municipality may incur debt for school purposes to an amount outstanding at any time not exceeding 10% of its last full state valuation, or any lower percentage or amount that a municipality may set, for storm or sanitary sewer purposes to an amount outstanding at any time not exceeding 7 1/2% of its last full state valuation, or any lower percentage or amount that a municipality may set, and for municipal airport and special district purposes to an amount outstanding at any time not exceeding 3% of its last full state valuation, or any lower percentage or amount that a municipality may set; provided, however, that in no event may any municipality incur debt which would cause its total debt outstanding at any time to exceed 15% of its last full state valuation, or any lower percentage or amount that a municipality may set. [1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD); 1989, c. 213, (AMD).]

For the purposes of this section, full state valuation shall mean the state valuation most recently certified by the State Tax Assessor pursuant to Title 36, section 381, adjusted to 100%. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

If a particular loan is or has been incurred by a municipality for school, storm or sanitary sewer, municipal airport, water and other purposes, or any combination thereof, the treasurer of the municipality shall make and maintain records showing the proportion, if any, of such loan incurred for school purposes, for storm or sanitary sewer purposes, for municipal airport purposes, for water purposes and for other purposes and the same proportions shall be applied to each maturity of such loan. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 1989, c. 213, (AMD).

§5703. EXCLUSION

1. Limitations on municipal debt. The limitations on municipal debt in section 5702 shall not be construed as applying to any funds received in trust by any municipality, any loan which has been funded or refunded, notes issued in anticipation of federal or state aid or revenue sharing money, tax anticipation loans, notes maturing in the current municipal year, indebtedness of entities other than municipalities, indebtedness of any municipality to the Maine School Building Authority, debt issued under chapter 213 and Title 10, chapter 110, subchapter IV, obligations payable from revenues of the current municipal year or from other revenues previously appropriated by or committed to the municipality, and the state reimbursable portion of school debt. The limitations on municipal debt set forth in section 5702 do not apply to obligations incurred by one or more municipalities pursuant to Title 38, section 1304-B, with respect to solid waste facilities, which obligations are regulated in the manner set forth in Title 38, section 1304-B.

[1995, c. 462, Pt. A, §54 (AMD) .]

2. State reimbursement. For the purpose of this section, the state reimbursable portion of school debt with respect to any municipality shall be the amount determined by:

A. Multiplying the outstanding amount of each issue of debt incurred for school purposes by the municipality in connection with a project which qualifies for state school construction aid and the percentage of the capital outlay costs of such project which was applicable to determine the amount of state school construction aid.

(1) The certificate of the Commissioner of Education that a project qualifies for state school construction aid and as to the percentage of that aid to which a municipality was entitled shall be conclusive evidence of the facts stated therein; or [1989, c. 381, (NEW); 1989, c. 700, Pt. A, §129 (AMD).]

B. For school construction projects approved by the State Board of Education after July 1, 1985, by multiplying the outstanding amount of each issue of debt incurred for school purposes by the municipality in connection with a project that qualifies for state school construction subsidy under Title 20-A and the state share percentage of operating costs for that municipality as defined in Title 20-A, section 15672, subsection 31, for the year in which the project received concept approval from the State Board of Education.

(1) The certificate of the Commissioner of Education that a project qualifies for state school construction aid and as to the state share percentage of operating costs for that municipality as defined in Title 20-A, section 15672, subsection 31, for the year in which the project received concept approval is conclusive evidence of the facts stated therein. [2005, c. 683, Pt. B, §24 (AMD).]

[2005, c. 683, Pt. B, §24 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 1989, c. 381, (RPR). 1989, c. 700, §A129 (AMD). 1995, c. 462, §A54 (AMD). 2005, c. 683, §B24 (AMD).

§5704. REPORTING BY SPECIAL DISTRICTS

Each special district in the State, whether or not its boundaries are coterminous with the boundaries of a municipality, including districts established for the purposes of providing water, sewer, electric, educational, health, transportation, solid waste management, parking or recreation services, or any other public purpose, shall file an annual report of its total outstanding debt. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Content. These reports shall include debts by:

A. Amount; [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. Purpose; [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

C. Creditors; [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

D. Date incurred; [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

E. Interest rate; [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

F. Amortization period; [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

G. Amount of annual principal payments and annual interest payments; and [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

H. Assessments and contributions received from municipalities in the district to service the debts. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Filing; public records. The reports shall be filed within 45 days of the end date of each fiscal year. The reports shall be filed with the Maine Municipal Bond Bank upon forms provided by it. Information reported under this section is a public record.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §C8,10 (AMD).

§5705. REFINANCING OF THE UNITED STATES FARMERS HOME ADMINISTRATION LOANS

For the period beginning January 1, 1988, and ending December 31, 1989, the municipal officers of any municipality or plantation may refinance any debt owed to the United States Farmers Home Administration without the approval of the municipality's or plantation's legislative body as long as the refinancing will result in a net savings to the municipality or plantation. [1989, c. 12, (NEW); 1989, c. 878, Pt. C, §47 (AMD).]

SECTION HISTORY

1989, c. 12, (NEW). 1989, c. 878, §C47 (AMD).

Subchapter 3-A: MUNICIPAL INVESTMENTS

HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

Article 1: GENERAL INVESTMENTS

HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

§5706. DEPOSIT OR INVESTMENT OF FUNDS

As directed by the municipal officers, the treasurer shall invest all municipal funds, including reserve funds and trust funds, to the extent that the terms of the instrument, order or article creating the fund do not prohibit the investment, as follows: [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Financial institutions. In accounts or deposits of institutions insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund or the successors to these federal agencies.

A. Accounts and deposits exceeding an amount equal to 25% of the capital, surplus and undivided profits of any trust company or national bank or a sum exceeding an amount equal to 25% of the reserve fund and undivided profit account of a mutual savings bank or state or federal savings and loan association on deposit at any one time must be secured by the pledge of certain securities as collateral, or fully covered by insurance.

(1) The collateral must be in an amount equal to the excess deposit. The municipal officers shall determine the value of the pledged securities on the basis of market value and shall review the value of the pledged securities on the first business day of January and July of each year.

(2) The collateral may consist only of securities in which municipalities may invest, as provided in article 2. The securities must be held in a depository institution approved by the municipal officers and pledged to indemnify the municipalities against any loss. The depository institution shall notify the municipal officers of the pledging when the securities are deposited and shall mail a copy of the notice to the Office of the State Auditor; [1995, c. 206, §1 (AMD); 2013, c. 16, §10 (REV).]

[1995, c. 206, §1 (AMD); 2013, c. 16, §10 (REV) .]

2. Repurchase agreements. In repurchase agreements with respect to obligations of the United States Government, as defined in section 5712, subsection 1, as long as the market value of the underlying obligation is equal to or greater than the amount of the municipality's investment and either the municipality's security entitlement with respect to the underlying obligation is created pursuant to the provisions of Title 11, Article 8-A and other applicable law or the municipality's security interest is perfected pursuant to the provisions of Title 11, Article 9-A and other applicable law, except that, if the term of the repurchase agreement is not in excess of 96 hours, the municipality's security interest with respect to the underlying obligation need not be perfected as long as an executed Public Securities Association form of master repurchase agreement is on file with the counterparty prior to the date of the transaction;

[1999, c. 699, Pt. D, §19 (AMD); 1999, c. 699, Pt. D, §30 (AFF) .]

3. Mutual funds. In the shares of an investment company registered under the United States Investment Company Act of 1940, Public Law 76-768, whose shares are registered under the United States Securities Act of 1933, Public Law 73-22, provided that the investments of the fund are limited to bonds and other direct obligations of the United States Government, as defined in section 5712, subsection 1 or repurchase agreements secured by bonds and other direct obligations of the United States Government, as defined in section 5712, subsection 1;

[1997, c. 367, §1 (AMD) .]

3-A. Mutual funds for trusts governed by the United States Internal Revenue Code, Section 501(c)

(3). In the case of a trust fund that is governed by the United States Internal Revenue Code, Section 501 (c) (3) (1997), in the shares of any investment company registered under the United States Investment Company Act of 1940, Public Law 76-768, whose shares are registered under the United States Securities Act of 1933, Public Law 73-22, as long as:

A. The investment is approved by the municipal officers at a public meeting; and [2003, c. 8, §1 (AMD) .]

B. No more than 50% of the assets of the trust are invested in mutual funds under this subsection; or [2003, c. 8, §1 (AMD) .]

[2003, c. 8, §1 (AMD) .]

4. Safekeeping and investment management agreements. The municipal officers may enter into an agreement with any financial institution with trust powers authorized to do business in the State for the safekeeping of the reserve funds, as defined in section 5801, or trust funds, as defined by section 5653, of the municipality. Services must consist of the safekeeping of the funds, collection of interest and dividends, and any other fiscal service that is normally covered in a safekeeping agreement. Investment of reserve funds or trust funds deposited under a safekeeping agreement may be managed either by the financial institution with which the funds are deposited or by an investment advisor registered with the National Association of Securities Dealers, federal Securities and Exchange Commission or other governmental agency or instrumentality with jurisdiction over investment advisors, to act in such capacity pursuant to an investment advisory agreement providing for investment management and periodic review of portfolio investments. Investment of funds on behalf of the municipality under this section is governed by the rule of prudence, according to Title 18-B, sections 802 to 807 and chapter 9. The contracting parties shall give assurance of proper safeguards that are usual to these contracts and shall furnish insurance protection satisfactory to both parties.

[2003, c. 618, Pt. B, §17 (AMD); 2003, c. 618, Pt. B, §20 (AFF) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 1995, c. 206, §1 (AMD). 1995, c. 664, §2 (AMD). 1997, c. 367, §§1,2 (AMD). 1997, c. 429, §C35 (AMD). 1999, c. 699, §D19 (AMD). 1999, c. 699, §D30 (AFF). 2003, c. 8, §1 (AMD). 2003, c. 618, §B17 (AMD). 2003, c. 618, §B20 (AFF). 2013, c. 16, §10 (REV).

Article 2: INVESTMENTS IN SECURITIES
HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

§5711. INVESTMENTS IN GENERAL

Municipalities may hereafter invest their funds in securities in accordance with this article, subject to the conditions and limitations set forth in this article or the terms of the instrument, order or article creating the fund being invested. Limitations set forth in this article concerning the maximum amount which may be invested in a security or type of security shall apply only to an investment in that security or type of security which exceeds \$20,000. Investments made under this article shall be made by the treasurer upon direction of the municipal officers. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5712. GOVERNMENT UNIT BONDS

Municipalities may invest in: [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. United States and instrumentalities. The bonds and other direct obligations of the United States, or the bonds and other direct obligations or participation certificates issued by any agency, association, authority or instrumentality created by the United States Congress or any executive order;

[1995, c. 206, §1 (AMD) .]

2. States. The bonds and other direct obligations issued or guaranteed by any state or by any instrumentality or agency of any state, or by any political subdivision of any state, provided that the securities are rated within the 3 highest grades by any rating service approved by the Superintendent of Financial Institutions;

[1995, c. 206, §1 (AMD); 2001, c. 44, §11 (AMD); 2001, c. 44, §14 (AFF) .]

3. Maine. The bonds and other direct obligations issued or guaranteed by this State, or issued by any instrumentality or agency of this State, or any political subdivision of the State that is not in default on any of its outstanding funded obligations;

[1995, c. 206, §1 (AMD) .]

4. Canada. The bonds and other direct obligations issued or guaranteed by the Dominion of Canada, or issued or guaranteed by any province, or political subdivision of a province, provided that the securities are rated within the 3 highest grades by any rating service approved by the Superintendent of Financial Institutions and are payable in United States funds; and

[1995, c. 206, §1 (AMD); 2001, c. 44, §11 (AMD); 2001, c. 44, §14 (AFF) .]

5. Short-term obligations. Prime bankers' acceptances and prime commercial paper.

[1995, c. 206, §1 (NEW) .]

Investments made pursuant to this section are limited to direct obligations of the issuer in which the municipality directly owns the underlying security. Obligations created from, or whose value depends on or is derived from the value of one or more underlying assets or indexes of asset values in which the municipality owns no direct interest do not qualify as investments under this section. [1995, c. 206, §1 (NEW) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 1995, c. 206, §1 (AMD). 2001, c. 44, §11 (AMD). 2001, c. 44, §14 (AFF).

§5713. CORPORATE SECURITIES

Municipalities may invest in: [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Corporate bonds. The bonds and other obligations of any United States or Canadian corporation, provided that the securities are rated within the 3 highest grades by any rating service approved by the Superintendent of Financial Institutions and are payable in United States funds. Not more than 2% of the total assets of the permanent reserve fund, permanent trust fund or other permanent fund being invested may be invested in the securities of any one such corporation;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD); 2001, c. 44, §11 (AMD); 2001, c. 44, §14 (AFF) .]

2. Maine corporate bonds. The bonds and other obligations of any Maine corporation, actually conducting in this State the business for which that corporation was created, which, for a period of 3 successive fiscal years or for a period of 3 years immediately preceding the investment, has earned or received an average net income of not less than 2 times the interest on the obligations in question and all prior liens or, in the case of water companies subject to the jurisdiction of the Public Utilities Commission, an average net income of not less than 1 1/2 times the interest on the obligations in question and all prior liens. Not more than 20% of the total assets of the permanent reserve fund, permanent trust fund or other permanent fund being invested may be invested in these securities of Maine corporations and not more than 2% of that fund in the securities of any single corporation; and

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

3. Maine corporate stocks. Maine corporate stocks which have the following characteristics.

A. The stock of any Maine corporation, other than stock of a financial institution, actually conducting in this State the business for which that corporation was created, provided that the corporation has, for a period of 3 years immediately preceding the investment, earned and received an average net income after taxes equivalent to at least 6% upon the entire outstanding issue of the stock in question. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. Not more than 10% of the deposits of the total assets of the permanent reserve fund, permanent trust fund or other permanent fund being invested may be invested under this section in stocks of Maine corporations and not more than 1% of the total assets of the permanent reserve fund, permanent trust fund or other permanent fund being invested may be so invested in the stock of any single corporation. The fund shall be invested in no more than 20% of the capital stock of any corporation. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 2001, c. 44, §11 (AMD). 2001, c. 44, §14 (AFF).

§5714. FINANCIAL INSTITUTION STOCK AND OTHER OBLIGATIONS

1. Municipalities may invest in:

A. The debentures of any financial institution authorized to do business within this State, incorporated under the laws of this State or the United States and of any financial institution holding company, provided that the holding company is registered under the United States Bank Holding Company Act of 1956, as amended, or the National Housing Act, Section 408, as amended; [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. The capital stock, preferred stock, debentures and acceptances of any insured bank not having an office in this State which has total capital and reserves of at least \$50,000,000 and of any bank holding company whose subsidiary banks have total capital and reserves of at least \$50,000,000, provided that the holding company is registered under the United States Bank Holding Company Act of 1956; [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

C. Capital notes or debentures issued by any municipalities chartered under the laws of any state, or of the United States, or of the Commonwealth of Puerto Rico, notwithstanding the fact that these notes or debentures may be subordinate to the claims of depositors or other creditors of the issuing institution. Not more than 1% of the total assets of the permanent reserve fund, permanent trust fund or other permanent fund being invested may be so invested; and [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

D. Obligations issued, assumed or guaranteed by the International Bank for Reconstruction and Development or the Inter-American Development Bank or the African Development Bank. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Limitations. A municipality shall not acquire or hold stock and obligations described in subsection 1 in excess of 30% of the total assets of the reserve fund, permanent trust fund or other permanent fund being invested; nor shall it acquire or hold stock and obligations of any one bank or holding company not operating in this State in excess of 5% of the total assets of the reserve fund, permanent trust fund or other permanent fund being invested; nor shall any such fund be invested in that stock in excess of 10% of the capital stock of any one bank or holding company.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5715. OTHER STOCK INVESTMENTS

Municipalities may invest in: [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Preferred stock of public utilities. The preferred stock of any public corporation if all of the publicly issued bonds of the corporation qualify as legal investments under section 5713, subsection 1 or 2. Not more than 10% of the permanent reserve fund, permanent trust fund or other permanent fund being invested may be invested in preferred stocks of public utilities, and not more than 1% of any such fund may be invested in the preferred stocks of any one corporation;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Bonds of nonprofit organizations. The bonds or other interest-bearing obligations of any religious, charitable, educational or fraternal association or corporation. Not more than 10% of the total assets of the permanent reserve fund, permanent trust fund or other permanent fund being invested may be invested in securities coming within the coverage of this subsection, and not more than 1% of the total assets of the permanent reserve fund, permanent trust fund or other permanent fund being invested may be invested in securities of any one such association or corporation;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

3. Small business investment companies. The stock of small business investment companies licensed under the United States Small Business Investment Act of 1958, as amended, and commercially domiciled in Maine and doing business primarily in Maine. Not more than 1% of the total assets of the permanent reserve fund, permanent trust fund or other permanent fund being invested may be invested in the stock of small business investment companies and any such fund shall not be invested in more than 10% of the stock of any one small business investment company; and

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

4. Maine Capital Corporation. The stock of the Maine Capital Corporation, established under Title 10, chapter 108, in an amount not to exceed 1% of the total assets of the permanent reserve fund, permanent trust fund or other permanent fund being invested.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5716. OTHER PRUDENT SECURITIES

Municipalities may invest in such securities as the municipal officers consider to be sound, prudent investments, the making of which would not otherwise be legal but for this section. Not more than 10% of the total assets of the permanent reserve fund, permanent trust fund or other permanent fund being invested may be invested in securities within the coverage of this section and investments in the stock of the State's financial institutions shall not be considered within this section. This section does not limit the authority of municipalities to invest in securities specifically regulated by this article; rather, this section gives additional

authority to invest 10% in any type of prudent security. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5717. RETENTION OF UNAUTHORIZED SECURITIES

Municipalities may acquire and hold securities not authorized by law, but which have been acquired in settlements, reorganizations, recapitalizations, mergers, consolidations, by receipt of stock dividends or the exercise of rights applicable to securities held by the municipalities and may continue to hold these securities at the discretion of the municipal officers. Municipalities may continue to hold at the discretion of the municipal officers securities under authorization of law. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5718. STANDARD OF PRUDENCE

All investments made under this subchapter must be made with the judgment and care that persons of prudence, discretion and intelligence, under circumstances then prevailing, exercise in the management of their own affairs, not for speculation but for investment, considering: [1995, c. 206, §2 (NEW).]

1. Safety. The safety of principal and preservation of capital in the overall portfolio;

[1995, c. 206, §2 (NEW) .]

2. Maintenance of liquidity. Maintenance of sufficient liquidity to meet all operating and other cash requirements with which a fund is charged that are reasonably anticipated; and

[1995, c. 206, §2 (NEW) .]

3. Income. The income to be derived throughout budgetary and economic cycles, taking into account prudent investment risk constraints and the cash-flow characteristics of the portfolio.

[1995, c. 206, §2 (NEW) .]

This standard must be applied to the overall investment portfolio of the municipality and not to individual items within a diversified portfolio. [1995, c. 206, §2 (NEW).]

SECTION HISTORY

1995, c. 206, §2 (NEW).

§5719. LIMITATIONS ON INVESTMENTS

A municipality's authority to invest municipal funds is limited to investments permitted under this subchapter and a municipality has no authority under home rule authority or otherwise to make any investments other than those permitted under this subchapter. [1995, c. 206, §2 (NEW).]

SECTION HISTORY

1995, c. 206, §2 (NEW).

Subchapter 4: EXPENDITURES HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

§5721. GENERAL AUTHORITY

A municipality may raise or appropriate money for any public purpose, including, but not limited to, the purposes specified in sections 5722 to 5728. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5721-A. LIMITATION ON MUNICIPAL PROPERTY TAX LEVY

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Average real personal income growth" has the same meaning as in Title 5, section 1531, subsection 2. [2005, c. 621, §9 (AMD).]

B. "Forecasted inflation" has the same meaning as in Title 5, section 1531, subsection 6. [2005, c. 621, §10 (AMD).]

C. "Property growth factor" means the percentage equivalent to a fraction established by a municipality, whose denominator is the total valuation of the municipality, and whose numerator is the amount of increase in the assessed valuation of any real or personal property in the municipality that became subject to taxation for the first time, or taxed as a separate parcel for the first time for the most recent property tax year for which information is available, or that has had an increase in its assessed valuation over the prior year's valuation as a result of improvements to or expansion of the property. A municipality identified as having a personal property factor that exceeds 5%, as determined pursuant to Title 36, section 694, subsection 2, paragraph B, may calculate its property growth factor by including in the numerator and the denominator the value of personal and otherwise qualifying property introduced into the municipality notwithstanding the exempt status of that property pursuant to Title 36, chapter 105, subchapter 4-C. [2009, c. 545, §1 (AMD).]

D. "Property tax levy" means the total annual municipal appropriations, excluding assessments properly issued by a county of which the municipality is a member and amounts governed by and appropriated in accordance with Title 20-A, chapter 606-B, and amounts appropriated to pay assessments properly issued by a school administrative unit or tuition for students or amounts attributable to a tax increment financing district agreement or similar special tax district, reduced by all resources available to fund those appropriations other than the property tax. [2005, c. 2, Pt. C, §5 (AFF); 2005, c. 12, Pt. WW, §11 (AMD); 2005, c. 12, Pt. WW, §16 (AFF).]

E. "State and local tax burden" has the same meaning as in Title 5, section 1531, subsection 9. [2005, c. 621, §11 (AMD).]

[2009, c. 545, §1 (AMD) .]

2. Property tax levy limit. Except as otherwise provided in this section, a municipality may not in any year adopt a property tax levy that exceeds the property tax levy limit established in this subsection.

A. The property tax levy limit for the first fiscal year for which this section is effective is the property tax levy for the municipality for the immediately preceding fiscal year multiplied by one plus the growth limitation factor pursuant to subsection 3. [2005, c. 2, Pt. C, §1 (NEW); 2005, c. 2, Pt. C, §§3, 5 (AFF); 2005, c. 12, Pt. WW, §16 (AFF).]

B. The property tax levy limit for subsequent fiscal years is the property tax levy limit for the preceding year multiplied by one plus the growth limitation factor pursuant to subsection 3. [2005, c. 621, §12 (AMD).]

C. If a previous year's property tax levy reflects the effect of extraordinary, nonrecurring events, the municipality may submit a written notice to the State Tax Assessor requesting an adjustment in its property tax levy limit. [2005, c. 2, Pt. C, §1 (NEW); 2005, c. 2, Pt. C, §§3, 5 (AFF); 2005, c. 12, Pt. WW, §16 (AFF).]

[2005, c. 621, §12 (AMD).]

3. Growth limitation factor. The growth limitation factor is calculated as follows.

A. For fiscal years when the State Tax Assessor has determined that the state and local tax burden ranks in the highest 1/3 of all states, the growth limitation factor is average real personal income growth but no more than 2.75%, plus the property growth factor. [2005, c. 2, Pt. C, §1 (NEW); 2005, c. 2, Pt. C, §§3, 5 (AFF); 2005, c. 12, Pt. WW, §16 (AFF).]

B. For fiscal years when the state and local tax burden ranks in the middle 1/3 of all states, as determined by the State Tax Assessor, the growth limitation factor is the average real personal income growth plus forecasted inflation plus the property growth factor. [2005, c. 2, Pt. C, §1 (NEW); 2005, c. 2, Pt. C, §§3, 5 (AFF); 2005, c. 12, Pt. WW, §16 (AFF).]

[2005, c. 2, Pt. C, §1 (NEW); 2005, c. 2, Pt. C, §§3, 5 (AFF); 2005, c. 12, Pt. WW, §16 (AFF).]

4. Adjustment for new state funding. If the State provides net new funding to a municipality for existing services funded in whole or in part by the property tax levy, other than required state mandate funds pursuant to section 5685 that do not displace current property tax expenditures, the municipality shall lower its property tax levy limit in that year in an amount equal to the net new funds. For purposes of this subsection, "net new funds" means the amount of funds received by the municipality from the State during the most recently completed calendar year, with respect to services funded in whole or in part by the property tax levy, less the product of the following: the amount of such funds received in the prior calendar year multiplied by one plus the growth limitation factor described in subsection 3. "Net new funds" refers to state-municipal revenue sharing and does not include changes in state funding for general assistance under Title 22, section 4311 or in state funding under the Local Road Assistance Program under Title 23, section 1803-B if those changes are the result of the operation of the formula for calculation of state funding under that section but does include changes in funding that are the result of a statutory change in the formula for calculation of state funding under that section. If the calculation required by this subsection reveals that the municipality received or will receive a net reduction in funding, the municipality is authorized to adjust its property tax levy limit in an amount equal to the net reduction of funds. For the purpose of determining if there was or will be a net reduction in funding, the municipality may consider only those funds that are net new funds. For purposes of this subsection, with respect to the development of any municipal budget that was finally adopted on or before July 1, 2013, "net reduction in funding" means the amount of funds received by the municipality from the State during the calendar year immediately preceding the most recently completed calendar year less the amount of such funds received in the most recently completed calendar year. For the purposes of this subsection, with respect to the development of a municipal budget that is finally adopted after July 1, 2013, a municipality may calculate net reduction in funding as the amount of funds received by the municipality from the State during the municipal fiscal year immediately preceding the fiscal year for which the budget is being developed less the amount of such funds that will be received during the fiscal year for which the budget is being prepared, as reasonably calculated on the basis of all available information. If the calculation required by this subsection yields a positive value, that value may be added to the municipality's property tax

levy limit. If a municipality receives net new funds in any fiscal year for which its property tax levy limit has not been adjusted as provided in this subsection, the municipality shall adjust its property tax levy limit in the following year in an amount equal to the net new funds.

[2013, c. 368, Pt. G, §1 (AMD) .]

5. Exceeding property tax levy limit; extraordinary circumstances. The property tax levy limit established in subsection 2 may be exceeded for extraordinary circumstances only under the following circumstances.

A. The extraordinary circumstances must be circumstances outside the control of the municipal legislative body, including:

- (1) Catastrophic events such as natural disaster, terrorism, fire, war or riot;
- (2) Unfunded or underfunded state or federal mandates;
- (3) Citizens' initiatives or other referenda;
- (4) Court orders or decrees; or
- (5) Loss of state or federal funding.

Extraordinary circumstances do not include changes in economic conditions, revenue shortfalls, increases in salaries or benefits, new programs or program expansions that go beyond existing program criteria and operation. [2005, c. 2, Pt. C, §1 (NEW); 2005, c. 2, Pt. C, §§3, 5 (AFF); 2005, c. 12, Pt. WW, §16 (AFF).]

B. The property tax levy limit may be exceeded only as provided in subsection 7. [2005, c. 2, Pt. C, §1 (NEW); 2005, c. 2, Pt. C, §§3, 5 (AFF); 2005, c. 12, Pt. WW, §16 (AFF).]

C. Exceeding the property tax levy limit established in subsection 2 permits the property tax levy to exceed the property tax levy limit only for the year in which the extraordinary circumstance occurs and does not increase the base for purposes of calculating the property tax levy limit for future years. [2005, c. 2, Pt. C, §1 (NEW); 2005, c. 2, Pt. C, §§3, 5 (AFF); 2005, c. 12, Pt. WW, §16 (AFF).]

[2005, c. 2, Pt. C, §1 (NEW); 2005, c. 2, Pt. C, §§3, 5 (AFF); 2005, c. 12, Pt. WW, §16 (AFF) .]

6. Increase in property tax levy limit. The property tax levy limit established in subsection 2 may be increased for other purposes only as provided in subsection 7.

[2005, c. 2, Pt. C, §1 (NEW); 2005, c. 2, Pt. C, §§3, 5 (AFF); 2005, c. 12, Pt. WW, §16 (AFF) .]

7. Process for exceeding property tax levy limit. A municipality may exceed or increase the property tax levy limit only by the following means.

A. If the municipal budget is adopted by town meeting or by referendum, the property tax levy limit may be exceeded by the same process that applies to adoption of the municipal budget except that the vote must be by written ballot on a separate article that specifically identifies the intent to exceed the property tax levy limit. [2005, c. 2, Pt. C, §1 (NEW); 2005, c. 2, Pt. C, §§3, 5 (AFF); 2005, c. 12, Pt. WW, §16 (AFF).]

B. If the municipal budget is adopted by a town council or city council, the property tax levy limit may be exceeded only by a majority vote of all the elected members of the town council or city council on a separate article that specifically identifies the intent to exceed the property tax levy limit. Unless a municipal charter otherwise provides or prohibits a petition and referendum process, if a written petition, signed by at least 10% of the number of voters voting in the last gubernatorial election in the

municipality, requesting a vote on the question of exceeding the property tax levy limit is submitted to the municipal officers within 30 days of the council's vote pursuant to this paragraph, the article voted on by the council must be submitted to the legal voters in the next regular election or a special election called for that purpose. The election must be held within 45 days of the submission of the petition. The election must be called, advertised and conducted according to the law relating to municipal elections, except that the registrar of voters is not required to prepare or the clerk to post a new list of voters and absentee ballots must be prepared and made available at least 14 days prior to the date of the referendum. For the purpose of registration of voters, the registrar of voters must be in session the secular day preceding the election. The voters shall indicate by a cross or check mark placed against the word "Yes" or "No" their opinion on the article. The results must be declared by the municipal officers and entered upon the municipal records. [2005, c. 2, Pt. C, §5 (AFF); 2005, c. 12, Pt. WW, §12 (AMD); 2005, c. 12, Pt. WW, §§15, 16 (AFF).]

[2005, c. 2, Pt. C, §5 (AFF); 2005, c. 12, Pt. WW, §12 (AMD); 2005, c. 12, Pt. WW, §16 (AFF) .]

8. Treatment of surplus; reserves. Any property tax revenues collected by a municipality in any fiscal year in excess of its property tax levy limit, as determined by a final audited accounting, must be transferred to a property tax relief fund, which each municipality must establish, and used to reduce property tax levies in subsequent fiscal years. Nothing in this subsection limits the ability of a municipality to maintain adequate reserves pursuant to section 5801.

[2005, c. 2, Pt. C, §1 (NEW); 2005, c. 2, Pt. C, §§3, 5 (AFF); 2005, c. 12, Pt. WW, §16 (AFF) .]

9. Fractional divisions. A municipality may, consistent with Title 36, section 710, exceed its property tax levy limit in such reasonable amount as necessary to avoid fractional divisions.

[2005, c. 2, Pt. C, §1 (NEW); 2005, c. 2, Pt. C, §§3, 5 (AFF); 2005, c. 12, Pt. WW, §16 (AFF) .]

10. Enforcement. If a municipality adopts a property tax levy in violation of this section, the State Tax Assessor may require the municipality to adjust its property tax levy downward in an amount equal to the illegal property tax levy and impose such other penalties as the Legislature may provide.

[2005, c. 2, Pt. C, §1 (NEW); 2005, c. 2, Pt. C, §§3, 5 (AFF); 2005, c. 12, Pt. WW, §16 (AFF) .]

SECTION HISTORY

2005, c. 2, §C1 (NEW). 2005, c. 2, §§C3,5 (AFF). 2005, c. 12, §§WW11,12 (AMD). 2005, c. 12, §WW16 (AFF). 2005, c. 515, §1 (AMD). 2005, c. 621, §§9-13 (AMD). 2005, c. 683, §12 (AMD). 2007, c. 662, §3 (AMD). 2009, c. 545, §1 (AMD). 2011, c. 652, §12 (AMD). 2011, c. 652, §14 (AFF). 2013, c. 368, Pt. G, §1 (AMD).

§5722. OPERATING EXPENSES

A municipality may raise or appropriate money to: [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Operation. Provide for the operation of its municipal government;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Pensions. Establish a contributory pension system for its officials and employees, or participate in an existing system;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

3. Fire and police protection. Provide for fire and police protection;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

4. Volunteer fire department. Support an incorporated volunteer fire department.

A. If the amount appropriated for an incorporated volunteer fire department is \$1,000 or less, the municipal officers may issue their warrant to the municipal treasurer, without itemizing the purposes for which the appropriation will be spent, requiring the municipal treasurer to pay the amount of the appropriation to the treasurer of the volunteer fire department; [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

5. Insurance for use of vehicles. Insure its officials, employees and volunteer workers against public liability and property damage resulting from their negligent operation of any vehicle owned or leased by the municipality while being used for municipal business;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

6. Insurance for performance of duties. Insure its officers, officials and employees against any personal liability which they may incur out of and in the course of their acting by, for or on behalf of the municipality while performing their duties as public officers, officials and employees;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

7. Revaluation. Provide for the revaluation of taxable property.

A. Any revaluation is under the jurisdiction of the municipal assessors whose judgment, as opposed to that of any hired appraiser, is final; [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

8. Municipal services. Provide for a supply of water, gas and electricity for municipal use for a period of years or for an energy facility, as defined in section 5401, subsection 3;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

9. Advisory organizations. Obtain the services of municipal advisory organizations. The Legislature recognizes the Maine Municipal Association as a nonprofit advisory organization and declares it to be an instrumentality of its member municipal and quasi-municipal corporations with its assets upon its dissolution to be delivered to the Treasurer of State to be held in custody for the municipalities of the State. A municipal advisory organization may receive federal grants or contributions for its activities with respect to the solution of local problems; and

[2003, c. 75, §2 (AMD) .]

10. Water system. Provide for the acquisition, construction, reconstruction, improvement, extension, enlargement, equipment, repair, maintenance and operation of a water or sewer system or part of such a system, within or outside, or partly within and partly outside, the corporate limits of the municipality.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 2003, c. 75, §2 (AMD).

§5723. PUBLIC WORKS

A municipality may raise or appropriate money to: [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Parks and construction projects. Provide for public buildings, ways, bridges, parks, parking places, sewers and drains;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Dumps. Provide for public dumps either within or outside its boundaries;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

3. Cemeteries. Provide for public cemeteries; maintain private cemeteries established before 1880; care for graves of veterans and maintain fences around cemeteries in which veterans are buried;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

4. Flood control. Provide for projects which have been approved by the Governor for improving navigation or preventing property damage by erosion or flood;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

5. Fuel yard. Provide a fuel yard for the purpose of selling fuel to its residents without financial profit to itself; and

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

6. Water or sewer districts. Provide financial assistance to a water or sewer district which is a quasi-municipal corporation, within or outside, or partly within or outside, the corporate limits of the municipality to the extent that the assisted district serves the municipality providing assistance.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5724. SCHOOLS AND LIBRARIES

A municipality may raise or appropriate money to: [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Public schools and libraries. Provide for public schools and libraries;

[1993, c. 494, §4 (AMD) .]

2. School activities. Provide for school bands and other organized activities conducted under the supervision of the school committee;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

3. Physical education. Provide for physical fitness programs in the schools;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

4. Construction and maintenance. Provide for the construction, repairs and maintenance of buildings and equipment for educational institutions with which a municipality has a contract as provided in Title 20-A, section 2703;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

5. Transportation. Provide for the transportation of school children to and from schools other than public schools, except those schools that are operated for profit in whole or in part;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

6. Textbooks. Provide for the purchase of those secular textbooks which have been approved by the school committee or board of directors for use in public schools in the municipality or district and to loan those textbooks to pupils or to the parents of pupils attending nonpublic elementary and secondary schools. The loans shall be based upon individual requests submitted by the nonpublic school pupils or parents. The requests shall be submitted to the school committee or board of directors of the administrative district in which the student resides. The request for the loan of textbooks shall, for administrative convenience, be submitted by the nonpublic school student or parent to the nonpublic school which shall prepare and submit collective summaries of the individual requests to the school committee or board of directors. As used in this section, "textbook" means any book or book substitute which a pupil uses as a text or text substitute in a particular class or program in the school the pupil regularly attends;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

7. Physician, nursing, dental and optometric services. Provide physician, nursing, dental and optometric services to pupils attending nonpublic elementary and secondary schools within a district or municipality. These services may be provided in the school attended by the nonpublic school pupil receiving the services;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

8. Tests and scoring services. Provide for the use by pupils attending nonpublic elementary and secondary schools within the municipality or a district the standardized tests and scoring services which are in use in the public schools serving that municipality or district; and

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

9. Advisory organizations. Obtain the services of educational advisory organizations. The Legislature recognizes the Maine School Management Association and the Maine School Boards Association as nonprofit advisory organizations and declares these associations to be instrumentalities of their member school administrative units, municipal and quasi-municipal corporations with their assets upon their dissolution to be delivered to the Treasurer of State to be held in custody for the municipalities of the State. An educational advisory organization may receive federal grants or contributions for their activities with respect to the solution of local problems.

A municipality may provide health or remedial services to nonpublic school pupils as authorized by this section only if those services are available to pupils attending the public school serving the municipality.

Health and remedial services and instructional materials and equipment provided for the benefit of nonpublic school pupils under this section and the admission of pupils to the nonpublic schools must be provided without distinction as to race, creed, color, the national origin of the pupils or of their teachers. No instructional materials or instructional equipment may be loaned to pupils in nonpublic schools or their parents unless similar instructional material or instructional equipment is available for pupils in a public school served by a municipality.

[2003, c. 75, §3 (AMD) .]

10. Municipal education foundations. A municipal education foundation is established with the assistance of the Department of Administrative and Financial Services and must contain the following provisions.

A. The endowment of a municipal education foundation is funded by contributions by citizens, estates, municipalities and bond money if the foundation meets standards pursuant to section 5652, subsection 2. [2011, c. 655, Pt. DD, §12 (AMD); 2011, c. 655, Pt. DD, §24 (AFF).]

B. Trustees of a municipal education foundation must be citizens of the municipality and contain at least one member who is a teacher or administrator in the municipality's education system to be a liaison between the school system and the municipal education foundation. [2007, c. 405, §3 (NEW) .]

[2011, c. 655, Pt. DD, §12 (AMD); 2011, c. 655, Pt. DD, §24 (AFF) .]

A municipality may not provide services, materials or equipment for use in religious courses, devotional exercises, religious training or any other religious activity. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 1993, c. 494, §4 (AMD). 2003, c. 75, §3 (AMD). 2007, c. 405, §3 (AMD). 2011, c. 655, Pt. DD, §12 (AMD). 2011, c. 655, Pt. DD, §24 (AFF).

§5725. HEALTH AND WELFARE

A municipality may raise or appropriate money to: [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Poor. Support the poor;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Hospital. Construct, maintain, operate and support a hospital serving its residents;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

3. Community health facility. Construct, maintain, operate and support a community health facility which may be used in any manner that will improve health services in the community, including the leasing of space at fair market rates to physicians and other medical personnel;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

4. Public health. Employ a public health nurse and conduct a public health program;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

5. Blood service. Support a blood service program;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

6. Dental hygienist. Employ a dental hygienist;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

7. Physician. Subsidize physicians to induce them to settle in the municipality;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

8. Pest control. Provide for the extermination and control of insect pests;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

9. Ambulance. Provide for public ambulances and garages for them, or support an ambulance service serving its residents;

[1999, c. 570, §4 (AMD) .]

10. Veteran rehabilitation. Provide for a local program with or without state coordination for rehabilitating veterans honorably discharged from the Armed Forces of the United States;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

11. Dutch elm disease. Determine the presence of the Dutch elm disease and carry out measures for the prevention or control of that disease on public or private grounds;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

12. Youth commission. Provide for a local youth commission; and

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

13. Anti-poverty community action program. Assist and contribute to a community action program organized under the Federal Anti-Poverty Program.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 1999, c. 570, §4 (AMD).

§5726. DEVELOPMENT

A municipality may raise or appropriate money to: [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Board of trade. Support and guarantee obligations of a chamber of commerce or board of trade or a local development corporation, or a chamber of commerce and a local development corporation, or a board of trade and a local development corporation;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Advertising. Advertise its resources and attractions or those of the State;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

3. Real estate. Purchase real estate and personal property from the Federal Government for municipal purposes;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

4. Athletic facilities and recreation. Provide real estate and personal property for recreational purposes and supporting a recreational program or for building, maintaining and operating an athletic facility;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

5. Fish. Propagate and protect fish in public waters located wholly or partially within its boundaries.

A. The money appropriated shall be spent by the municipal officers or a person appointed by them; and [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. The person authorized to spend the money shall submit a written report of the expenditure to the municipal legislative body within one year of the date of appropriation; [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

6. Historical society. Assist a local historical society;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

7. History. Write and publish its history;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

8. Conventions. Assist conventions;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

9. Lands. Provide for and acquire open areas, including marshlands, swamps or wetlands;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

10. Mass bus transportation. Aid private companies or public agencies furnishing mass bus transportation services within the municipality;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

11. Relocation assistance. Provide funds for relocation assistance services and payments to individuals, families and businesses displaced as a result of the acquisition of real property for a public purpose;

[2001, c. 78, §1 (AMD) .]

12. District Court. Construct, equip and furnish a district courthouse within the municipality. The municipality may negotiate a lease with the Chief Judge of the District Court for the use of such a courthouse;

[2001, c. 78, §1 (AMD) .]

13. Elderly housing. Provide municipally owned rental housing for the elderly;

[2013, c. 206, §1 (AMD) .]

14. Affordable housing. Facilitate affordable housing; and

[2013, c. 206, §2 (AMD) .]

15. Job creation and retention. Establish revolving loan fund programs to assist in job creation and retention for local for-profit and nonprofit enterprises if approved by a municipal referendum election pursuant to sections 2528, 2529 and 2532, even if the municipality or plantation has not accepted the provisions of section 2528.

[2013, c. 206, §3 (NEW) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 2001, c. 78, §§1,2 (AMD). 2013, c. 206, §§1-3 (AMD).

§5727. CELEBRATIONS AND COMMEMORATIONS

A municipality may raise or appropriate money to: [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Anniversary. Celebrate any anniversary of its settlement or incorporation and publish the proceedings of the celebration;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Holidays. Observe Memorial Day, Veterans Day and any other day set apart for commemoration;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

3. Christmas. Decorate for Christmas;

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

4. Music. Support an organization to provide music for municipal functions and public celebrations; and

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

5. Memorials for veterans. Provide for monuments and memorials, and real estate suitable for their erection, to honor the veterans of the Armed Forces of the United States who sacrificed their lives in defense of their country.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5728. GENERAL DUTIES AND OPERATIONS

A municipality may raise or appropriate money to: [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Duties. Perform any of the duties required of it by law; and

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

2. Authorized by law. Provide for any operations authorized by law which, by their nature, require the expenditure of money.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5729. FEDERAL AND STATE GRANTS

A municipality's acceptance of grants is governed by this section. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Federal. Municipalities may apply for, accept and appropriate federal grants for any purpose for which federal grants are made available to municipalities either directly or through the State.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

2. State. Municipalities may apply for, accept and appropriate state grants for any purpose for which state grants are made available to municipalities either directly or through a state agency.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5730. HISTORIC AND SCENIC PRESERVATION

Pursuant to the Constitution of Maine, Article IX, Section 8, Subsection 5, a municipality may raise or appropriate money to reimburse taxpayers for a portion of taxes paid under Title 36, Part 2 on real property if the property owner agrees to maintain the property in accordance with criteria that are adopted by ordinance by the governing legislative body of the municipality and that provide for maintaining the historic integrity of important structures or providing a scenic view. The Maine Historic Preservation Commission shall provide guidance, if requested by a municipality, in implementing this section. [1999, c. 626, §1 (NEW).]

SECTION HISTORY

1999, c. 626, §1 (NEW).

Subchapter 5: TAX BASE SHARING HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

§5751. PURPOSE

It is the purpose of this subchapter to increase the likelihood of orderly development and to provide an incentive for coordinated multi-community economic development by permitting 2 or more communities to share their tax base. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5752. TAX BASE SHARING AGREEMENT

1. Agreement. Any 2 or more municipalities may, by a vote of their legislative bodies, enter into an agreement to share all or a specific part of the commercial, industrial or residential assessed valuation located within their respective communities. Municipalities that vote to enter into an agreement pursuant to this section are not required to have borders that are contiguous.

[1997, c. 663, §1 (AMD) .]

2. Specifications. Any such agreement must specify:

A. A duration which must be at least 5 years; [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. A description of the tax base that is to be shared, expressed in terms of type of property or location of property; [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

C. The formula for sharing the property taxes generated through taxation of the valuation that is to be shared; and [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

D. Any other necessary and proper matters. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

3. Administration. The shared valuation must be assessed in the municipality in which the property is located. It must be taxed at the rate applicable in that municipality. The tax so assessed must be collected by the municipality in which the property is located and the share of that tax, as specified in the tax base sharing agreement, must be remitted within 15 days after collection or within such other period of time as the parties to the tax base sharing agreement specify to the other municipality or municipalities on the basis of the terms of the agreement to which they are parties. The municipality in which the property is located may be authorized by the tax base sharing agreement to make payments due to the other municipality or municipalities that are parties to the agreement to another party or entity. Payments to another party or entity must be for purposes that have a general public benefit.

[1999, c. 550, §1 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 1997, c. 663, §1 (AMD). 1999, c. 550, §1 (AMD) .

§5753. FILING OF AGREEMENT

Before becoming effective, any agreement made under this subchapter must be filed with the clerk of each municipality and with the Secretary of State. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

Subchapter 6: BORROWING HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

§5771. REVENUE ANTICIPATION NOTES; FISCAL YEAR

A municipality by vote of its municipal officers may in any municipal year borrow money temporarily and issue notes in anticipation of taxes, and state and federal revenue-sharing money. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Amount. The amount borrowed in anticipation of taxes shall not exceed the total tax levy of the preceding municipal year or of the 2 preceding municipal years if together they do not extend beyond a period of 18 months. The amount borrowed in anticipation of state or federal revenue sharing shall not exceed the amount of revenue-sharing entitlements projected by the paying units of government for the current period of entitlement.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. When paid. The tax anticipation notes must be paid within one month after the end of the municipal year in which they were made, except during a transition to a new municipal year the notes must be paid within 18 months of the first day of the municipal year in which they were made. The notes issued in anticipation of taxes must be paid out of money raised by taxation. The notes issued in anticipation of revenue-sharing money must be paid out of money received as a result of revenue sharing.

[1991, c. 121, Pt. A, §5 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 1991, c. 121, §A5 (AMD).

§5772. GENERAL OBLIGATION SECURITIES

A municipality may issue general obligation securities for funding or refunding all or part of its debt and for any purpose for which it may raise money. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Anticipatory borrowing. The municipal officers authorized to issue securities may borrow money in anticipation of their sale by issuing temporary notes and renewal notes.

A. The total face amount of temporary notes and renewal notes issued under this subsection may not exceed at any one time outstanding the authorized amount of the securities. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. The period of anticipatory borrowing under this subsection shall not exceed 3 years and the time within which these securities are to become due shall not be extended by anticipatory borrowing beyond:

(1) The time fixed in the vote authorizing their issue; or

(2) If no term is specified in that vote, beyond the term permitted by law. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Invalidity in original borrowing. A security authorized and issued for the purpose of funding or refunding a debt is not invalid because of any invalidity in the original borrowing.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2-A. Financial statement required. The treasurer of the municipality shall prepare a signed statement to accompany any question submitted to the electors for ratification of a general obligation of the municipality bond issue. The statement must set forth:

A. The total amount of bonds of the municipality outstanding and unpaid, the total amount of bonds of the municipality authorized and unissued and the total amount of bonds of the municipality contemplated to be issued if the enactment submitted to the electors is ratified; [1991, c. 548, Pt. D, §7 (NEW); 1991, c. 548, Pt. D, §10 (AFF).]

B. An estimate and explanation of costs involved, including varying interest rates, the estimated cost of interest on the bond amount to be issued, the total cost of principal and interest to be paid at maturity and any other substantive information relating to the debt of the municipality as the treasurer may deem appropriate; and [1991, c. 548, Pt. D, §7 (NEW); 1991, c. 548, Pt. D, §10 (AFF).]

C. A declaration that the validity of the bonds and of the voters' ratification of the bonds may not be affected by any errors in the estimate made pursuant to paragraph B. If the actual amount of the total debt service for the bond issue varies from the estimate, the ratification by the electors is nevertheless conclusive and the validity of the bond issue is not affected by reason of the variance. [1991, c. 548, Pt. D, §7 (NEW); 1991, c. 548, Pt. D, §10 (AFF).]

[1991, c. 548, Pt. D, §7 (NEW); 1991, c. 548, Pt. D, §10 (AFF) .]

3. Annual installments. Securities may be in serial form payable in annual installments, which need not be equal, the total amount of which shall extinguish the entire issue at maturity. The first such installment must be payable within 5 years and the last such installment must be payable within 30 years after the date the securities are issued.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

4. Discretion in municipal officers. In the absence of a contrary provision in the vote authorizing the issuance of securities, the discretion to fix the date, maturities, denomination, interest rate, place of payment, form and other details of the securities and of providing for the sale of the securities is deemed to have been delegated to the municipal officers.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

5. Term securities. Term securities may be issued for a period not to exceed 10 years.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

6. Call for redemption. Securities may be issued which are subject to call for redemption with or without premium at the election of the municipality before the date fixed for final payment of the securities, provided:

A. Specific authority to issue callable securities is contained in the vote authorizing their issue; and [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. The securities when issued contain provisions setting forth:

- (1) The method by which the option to call may be exercised;
- (2) The procedure for payment in the event of call; and
- (3) The legal effect of making the call. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

7. Signatures. Securities issued by a municipality shall, in the absence of a contrary provision in a special Act of the Legislature or in the vote authorizing the securities, be signed by the treasurer and countersigned by a majority of the municipal officers.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

8. At least one manual signature; validity. Securities issued by a municipality and coupons, if any, attached to those securities shall be executed in the name of the municipality by the manual or facsimile signatures of the official or officials who are authorized to execute the securities, but at least one signature on each bond or note must be a manual signature. These securities and coupons, if properly executed by the municipal officers who are in office on the date the securities are actually executed, are valid and binding according to their terms, notwithstanding that before the securities are delivered and paid for, any or all such officers have ceased to hold office.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

9. Interest or dividend exemption from state taxation. Interest or dividends paid on general obligation securities issued under this section are exempt from taxation within the State, whether or not such income is subject to taxation under the United States Internal Revenue Code, as amended.

[1993, c. 680, Pt. A, §27 (RPR) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1987, c. 873, §§2,3 (AMD). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§A50,C8,C10 (AMD). 1991, c. 548, §D7 (AMD). 1991, c. 548, §D10 (AFF). 1993, c. 680, §A27 (AMD).

§5773. BORROWING IN ANTICIPATION OF FEDERAL OR STATE AID

1. Acceptance of aid. The municipal officers of a municipality may contract for and accept an offer or a grant of federal or state aid, or both, for any purpose for which a municipality may raise or expend money.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Borrowing in anticipation. Notwithstanding any provisions in a charter or special Act of the Legislature, but subject to the constitutional limit on indebtedness, any municipality which has contracted for and accepted an offer or a grant of federal or state aid, or both, for a particular project, may by vote of

its municipal officers incur indebtedness in anticipation of the receipt of that aid for the particular project by issuing its general obligation notes payable within one year. These notes may be renewed from time to time by the issue of other notes, provided that no notes may be issued or renewed in an amount which at the time of the issuance or renewal exceeds the unpaid amount of the federal or state aid in anticipation of which the notes are issued or renewed.

A. To any extent that the federal or state aid in anticipation of which the notes were issued when received exceeds the amount of the aid remaining to be paid under contract or accepted offer, plus the amount of any outstanding notes issued in anticipation of the aid, it shall be kept in a separate account and used solely for the payment of any outstanding note. [1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. Any municipal charter provision requiring the publication of an ordinance, vote, order or resolution of the municipal officers, the holding of a public hearing on those matters or subjecting an ordinance, vote, order or resolution to a referendum does not apply to any borrowing authorized under this section. [1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

3. Funds for educational purposes. The municipal officers of any municipality may borrow in anticipation of any funds or reimbursements that the Legislature has authorized to be paid to municipalities for educational purposes during the municipal year within one month thereafter. The notes must be paid from those funds received for educational purposes from state agencies during the municipal year within one month thereafter.

[1991, c. 121, Pt. A, §6 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 1991, c. 121, §A6 (AMD).

Subchapter 7: RESERVE FUND HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

§5801. ESTABLISHMENT

A municipality may establish a reserve fund, consisting of one or more accounts, by appropriating money or by authorizing the transfer of unencumbered surplus funds at the end of any fiscal year for the following purposes: [1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

1. Capital improvement account. Financing the acquisition or reconstruction of a specific, or a type of, capital improvement;

[1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Capital equipment account. Financing the acquisition of a specific item or type of capital equipment;

[1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

3. Credit reserve account. Providing a reserve which may be applied in periods of financial emergency to assist in continuing its normal operation without increasing the tax rate.

A. The annual appropriation for this purpose may not exceed 5% of the current tax commitment. [1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. When the municipal legislative body determines that a financial emergency exists, it may order the withdrawal of the necessary amount from the account; and [1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

4. Sinking fund account. Paying a funded debt.

A. Any assets remaining in a sinking fund account, other than its own bonds, shall be withdrawn from the account when the debt for the payment of which it was established has been refunded. The legislative body may pledge the assets for payment of the new debt or may order them transferred to another account. [1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5802. TRUSTEES

The municipal officers are trustees of the municipal reserve fund. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Fund deposited or invested. They shall deposit or invest the fund according to subchapter III-A.

A. Any interest earned or capital gains realized shall accrue to and become part of the fund. Unless otherwise ordered by the municipal legislative body, interest and capital gains shall be prorated among the various accounts. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Purpose of expenditure. An expenditure from any account of the fund may be made only for the specific purpose for which the account was established.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

3. Transfer of balance. The balance of any account of a reserve fund may be transferred to another reserve account or to surplus when the purpose for which it was established has been accomplished or abandoned.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

4. Use of fund for purpose not provided for. Notwithstanding Title 17-A, section 4-A, any municipal official who uses the assets of any account of the reserve fund in any manner or for any purpose other than that provided by the municipality is guilty of a Class C crime and shall be punished by a fine of not more than \$2,000 or by imprisonment for not more than 2 years.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

Subchapter 8: ACCOUNTS AND AUDITS HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

§5821. UNIFORM ACCOUNTING SYSTEM

Each municipality and each quasi-municipal corporation, including, but not limited to, various types of districts or corporations embracing a portion of a municipality, a single municipality or several municipalities not under the jurisdiction of the Public Utilities Commission, shall: [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Accounting records. Keep its accounting records in conformity with generally accepted principles of municipal accounting; and

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Uniform classification. Use a uniform classification for revenue, expenditures and balance sheet accounts.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5822. INVESTIGATION OF ACCOUNTING AND AUDITING SYSTEM

The State Auditor may inquire into the accounting and auditing system of any municipality or any quasi-municipal corporation not under the jurisdiction of the Public Utilities Commission. The officers of that municipality or quasi-municipal corporation shall furnish information pertaining to the system in the form

prescribed by the State Auditor. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5823. ANNUAL POSTAUDIT

Each municipality and quasi-municipal corporation shall have an annual postaudit made of its accounts covering the last complete fiscal year by the Office of the State Auditor or by a qualified public accountant elected by ballot or engaged by its officers. The officers shall notify the State Auditor of the name and address of the auditor within 30 days after the auditor is elected or engaged. The postaudit shall be conducted on the basis of auditing standards and procedures prescribed by the State Auditor. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD); 2013, c. 16, §10 (REV).]

1. New postaudit. If the voters of a municipality or quasi-municipal corporation are dissatisfied with the postaudit made by a public accountant, they may obtain a new postaudit by filing a petition with the State Auditor. The petition must be signed by:

- A. At least 10% of the voters of a municipality or quasi-municipal corporation with a population under 10,000; or [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]
- B. At least 1,000 voters in a municipality or quasi-municipal corporation with a population of 10,000 or over. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

Upon the filing of a valid petition, the State Auditor shall order a new postaudit to be made by the Office of the State Auditor. The municipality or quasi-municipal corporation shall pay the expense of this postaudit.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD); 2013, c. 16, §10 (REV) .]

2. Records available to auditor. Whenever a postaudit is being made, all necessary records shall be made available to the auditor.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

3. Report. After the postaudit has been completed, the auditor shall submit a report to the officers of the municipality or quasi-municipal corporation.

A. The report must contain the following items:

- (1) A management letter, if applicable;
- (2) A letter of transmittal;
- (3) The independent auditor's report on the financial statements; and

(4) All financial statements and all other information required by governmental accounting and financial reporting standards. [2003, c. 178, §5 (AMD).]

B. Within 30 days after the postaudit is completed, the auditor shall send to the State Auditor:

(1) A certified copy of the postaudit report, excluding the management letter; and

(2) A certified copy of the audit procedural form prescribed by the State Auditor for governmental audits. [1997, c. 142, §2 (AMD).]

C. Any auditor who fails to file the copies required by paragraph B commits a civil violation for which a forfeiture of not more than \$100 may be adjudged. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[2003, c. 178, §5 (AMD) .]

4. Expense. Each municipality and quasi- municipal corporation shall pay the expense of its postaudit.

A. The State Auditor shall certify to the Treasurer of State for collection any unpaid balance due the Office of the State Auditor after a 90-day period from the date of billing has elapsed. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD); 2013, c. 16, §10 (REV).]

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD); 2013, c. 16, §10 (REV) .]

5. Report kept. The complete report of the postaudit shall be kept in the office of the municipality or quasi-municipal corporation.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD). 1997, c. 142, §§1,2 (AMD). 2003, c. 178, §5 (AMD). 2013, c. 16, §10 (REV).

§5824. WITNESSES AND RECORDS

The State Auditor may subpoena witnesses and records and may examine witnesses under oath in all matters arising under sections 5821 to 5823. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5825. STATE AUDITOR'S REPORT ON FINANCIAL MATTERS

The State Auditor shall annually publish statistics and other information relating to the financial affairs of municipalities and quasi-municipal corporations. This information may be printed and distributed as a document separate from the annual fiscal report. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

§5826. PENALTIES

A public official who neglects or refuses to perform any duty imposed by sections 5821 to 5823:

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Civil violation. Commits a civil violation for which a forfeiture of not more than \$100 may be adjudged; and

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Forfeiture of office. Forfeits his office.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8,10 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 126th Maine Legislature and is current through August 1, 2014. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.